

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

MAURICE KANBAR and KANBAR
SPIRITS, INC., No. C 07-2123 VRW
Plaintiffs, ORDER
v
HENRY KAUFMAN,
Defendant.

Maurice Kanbar and Kanbar Spirits, Inc ("KSI") brought this action, alleging negligence and breach of fiduciary duty by Henry Kaufman in Kaufman's handling of various of Kanbar's investments. Doc #39 at 1. This case was tried before the court without a jury on August 18 and 19, 2008. Doc ##81-82.

On October 22, 2008, the court issued its findings of fact and conclusions of law. Doc #86. The court determined that

1 Kaufman breached his fiduciary duty of candor to plaintiffs by
2 making an interest-free loan of \$250,000 to John Snyder without
3 first informing Kanbar. Id at 36 ¶120.

4 To calculate damages for the breach, the court ordered
5 plaintiffs and Kaufman to submit evidence of the term of the loan
6 and a reasonable interest rate for the loan. Id at 41 ¶138. In
7 response, the parties stipulated that the loan was disbursed on
8 December 15, 2005 and remained outstanding for 226 days. Doc #87
9 at 2. Plaintiffs first asserted that the Snyder loan should bear
10 an interest rate of eight percent and in no case less than seven
11 percent. Doc #88 at 2. Kaufman initially proposed an interest
12 rate of 5.7 percent, Doc #89 at 3, but in a later filing proposed a
13 rate of 7.25 percent, the prime rate in December 2005. Doc #92 at
14 1. Plaintiffs then agreed to Kaufman's proposed 7.25 percent
15 interest rate. Doc #93 at 2.

16 Using annual compounding, this implies daily interest of
17 \$49.6575 over the term of the loan (\$250,000 x 0.0725 / 365).
18 Accordingly, plaintiffs are entitled to damages of \$11,222.60 for
19 breach by Kaufman of the fiduciary duty of candor (\$49.6575 x 226).

20 The clerk is ORDERED to enter judgment forthwith and to
21 close the file.

22
23 IT IS SO ORDERED.



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25
26 VAUGHN R WALKER
27 United States District Chief Judge
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